



Senator Larry Borst

200 W. Washington St.
Indianapolis, IN 46204

News from the Indiana State Senate

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Commission Studies Methods To Replace Property Tax

“We want a better system,” and “Do no harm,” were the sentiments echoed in the Property Tax Replacement Study Commission, which has met several times at the Statehouse. The property tax situation in Indiana is a frustration shared by many as the newly-formed committee, consisting of legislators, farmers, businessmen, and homeowners, develops methods to reduce local government’s reliance on property taxes.

The reassessment process is complete in almost every county in Indiana, and agencies and organizations are collecting data that will aid the commission and the legislature in figuring ways to replace over \$5.5 billion in property taxes collected each year and to provide oversight of over 9,000 levies and 172 different types of funds for local government programs and services.

This monumental task is being conducted due to a law passed during the 2004 legislative

session. The committee must study the effects of eliminating 50 percent, 75 percent, and 100 percent of net property tax levies.

One major hurdle for the commission is to identify revenue sources capable of replacing property taxes and providing sufficient revenue to maintain essential government services. The commission will submit status reports to the Legislative Council, which is the administrative body of the General Assembly, in September.

The commission broke down into small groups that will work on five major issues during the year: Property Tax Administration Issues; Local Government Services; Long Term Debt Issues; Other State Tax Systems; and Property Tax Levies and Controls.

The goal is to lessen local governments’ dependence on property taxes and create a more equitable and fair method of funding local government.

Gaming Profits: WHERE DOES THE MONEY GO ?

“Where does the lottery money go?” is among the questions I am asked most often.

The lottery and gaming funds consist of profits from the Hoosier Lottery, riverboat casinos, bingo and pari-mutuel horse racing. The specifics for distributing the funds are set by state statute; however, the governor and his administration have some discretion in spending the money in the Build Indiana

In the last several years, due to the state’s fiscal crisis, the administration has withheld BIF appropriations for local community development projects, and the money was used for general governmental operations.

From 1990 through 2002, all 92 Indiana counties received a portion of the funds. If not for the BIF, many needed local projects either would have not gotten done or raised property taxes to finance them. When the state’s economy and revenues pick up again, it is possible local projects can be continued.

For the 2003 budget year, expenditures from the state’s share of profits from the Hoosier Lottery, riverboat casinos and other forms of legalized gambling totaled more than \$670 million. The state gaming

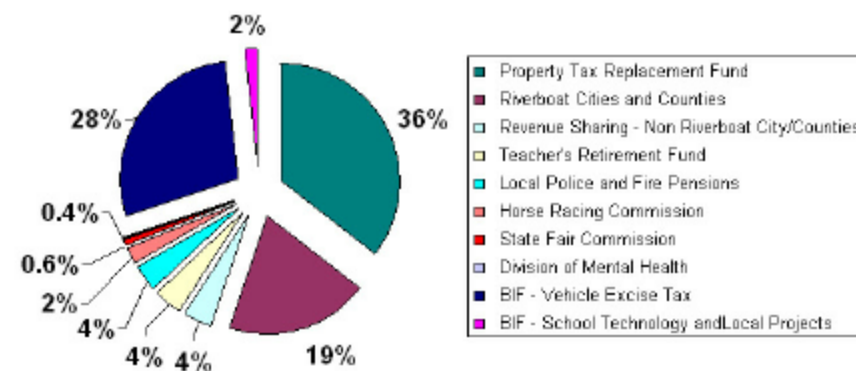
profits subsidize local government budgets, which rely on vehicle and property taxes.

The largest recipients of gaming profits are Indiana homeowners. In fiscal year ‘03, \$294 million was dedicated to the Property Tax Replacement Fund to help subsidize homeowners’ local property tax bills through payment of homestead credits.

The second-largest share of the profits, \$236 million, cuts the “license plate tax,” the excise tax Indiana motorists pay annually when renewing their vehicle license plates. If you own a car or truck, your license plate tax is reduced by up to 50 percent yearly. To prevent the loss of revenue to schools and local govern-

ments, the state uses gaming profits to make up the otherwise lost revenue.

As the pie chart shows, local governments that have riverboat casinos share a portion of revenue, distributed on a per capita basis to non riverboat counties. Some of the gaming profits fund pension obligations for teachers, local police officers and firefighters. Funds also are set aside for computer enhancements in local schools and public libraries.



Education Update: No Child Left

The biggest challenge many states are facing in education is how to implement the **No Child Left Behind Act of 2001** (NCLB) that was signed into law by President George W. Bush on January 8, 2003. The act expanded the federal role in education and set in place requirements that reach into every public school in America.

Thanks to the leadership of the General Assembly, Indiana helped lead the nation in school reform with the passage of **Public Law 221** in 1999. P.L. 221 is Indiana's school improvement and accountability law that put in motion many of the same requirements that NCLB requires. The law focuses on improving education for all schools and ensuring Hoosier students have the skills they need to succeed.

In recent months there has been criticism of potential flaws in NCLB. Congress and the Federal Department of Education are working to address these concerns, to allow more flexibility for low performing schools, and to improve special education. The General Assembly is committed to making sure that Indiana continues to ensure that no child is left behind. For more information on this topic and other education related issues, please visit the Indiana Department of Education web site at www.doe.state.in.us.

The goals of both NCLB and P.L. 221 focus on our schools and educators:

- High academic standards
- Assessment using tests aligned with the standards
- Accountability for achievement
- Focus on the needs of all children
- Highly qualified teachers
- School safety measures
- School report cards
- Comprehensive data system (www.asap.state.in.us)



F.A.Q.

Frequently Asked Questions About Indiana's Legislature

Q: Why is the Indiana General Assembly called a "citizen legislature?"

A: Indiana lawmakers spend only a few months each year at the Capitol. The rest of the year, each legislator lives and works in the district he or she represents. Our part-time legislature offers substantial savings to Indiana taxpayers. The National Conference of State Legislatures ranks Indiana 45 among the 50 states with regard to the expenditures of the legislature per capita. About 0.33 percent of the state's General Fund budget is spent on the legislature.

Q: Where can I get information about bills during session?

A: If you have access to the Internet, please visit the Indiana General Assembly web site at www.in.gov/legislative to get the most up-to-date information about bills, listen to sessions of the House and Senate and links of other documents and information. There is also detailed information about how a bill becomes a law. You can also contact the Indiana Senate phone center for information at 232-9400.

Q: How does the General Assembly function when it is not in session?

A: The Legislative Council is composed of 16 legislators, including the speaker of the House, Senate president pro tempore, and floor leaders of the majority and minority parties. It is designed to provide an interim coordination structure for the General Assembly. Created in 1967 by combining and expanding existing legislative service agencies, the Council assists the General Assembly through its selection of interim study committees, research, fiscal analysis, and bill drafting staff.

Q: How does a senator author a bill?

A: A senator takes an idea for a bill to the non-partisan Legislative Services Agency. The staff provides necessary legal, fiscal, and research capabilities for the General Assembly. Drafting legislation, compiling and publishing the rules and regulations of state agencies, assisting committees during the interim and session, and furnishing figures on the estimated cost of existing or proposed state services are among the tasks performed by LSA staff.

Protect Yourself from

Identity Theft



On an average day, someone may pay for gas at the pump, write a check at the grocery store or purchase some merchandise online without giving a second thought to these transactions; however, these seemingly innocent tasks could leave an individual vulnerable to a new breed of robbery.

Identity theft is quickly becoming the most prevalent and costly crime in the nation. Researchers estimate that criminals steal more than 600,000 victims' identities each year, costing consumers and the financial industry billions of dollars.

In 2003, the General Assembly passed legislation strengthening Indiana's identity theft law by protecting not only a person's Social Security number, but also his or her address, phone number, place of employment, employer's identification number and his or her mother's maiden name. The law also includes provisions to help victims untangle the damage incurred on their credit history by an identity thief.

Often, consumers are not aware that their identities have been stolen. Each of us can help protect our information by being cautious. If you would like more informa-

tion, contact the Consumer Protection Division in the Indiana Attorney General's office, toll-free, at 1-800-382-5516 or visit www.in.gov/attorneygeneral.

Reduce the chances of identity theft in your everyday life:

- Monitor the balances of your financial accounts and look for unexplained charges or withdrawals
- Track your mail. Failing to receive bills or other mail may signal an address change by an identity thief, as does receiving credit cards for which you did not apply
- Order a copy of your credit reports. Federal law allows consumers to get one free credit report per year
- Guard your Social Security number. Give it out only when absolutely necessary
- Invest in a cross-cutting paper shredder. Destroy credit card applications, checks, receipts, insurance documents and anything with your identifying information.

Consumer Information

Unclaimed Property

The Attorney General reports thousands of unclaimed property listings all across the state of Indiana. Some possible sources of unclaimed property are: credit balances, old savings and checking accounts, unpaid wages, mutual fund shares, insurance proceeds, uncashed traveler's checks, and utility deposits.

You can contact the Indiana Attorney General's office to see if you or a relative has a claim. Visit www.indianaunclaimed.com or call, toll-free, **1-866-IN-CLAIM** (1-866-462-5246).

Direct Mail Lists

Tired of receiving advertising through the mail? Remove your name from direct mail lists by visiting www.dmaconsumers.org or write to:
Mail Preference Service
Attn: Dept 12851374
Direct Marketing Association
PO Box 282
Carmel, NY 10512

State Changes HoosierRx Program

America leads the world in pushing the bounds of science to bring new prescription drugs to the market, resulting in lives saved and an increased quality of life. There are high costs involved in bringing these drugs to the open market. Part of that price tag is passed on to the consumer, which causes patients who do not have drug coverage to suffer financially. As a relief to those patients, some new programs have been established to help with the costs of prescription drugs.

The **federal** government has launched a new drug discount card that will provide immediate financial relief to seniors. This program, which took effect on June 1, allows recipients to choose a discount card program that best suits their needs. Medicare will be providing reliable and accessible information. Anyone who is enrolled in Medicare Part A or Part B and not receiving Medicare benefits is eligible for the discount drug card program. For more information or to become

enrolled, you may call 1-800-MEDICARE (1-800-633-4227) or visit the Medicare website at www.medicare.gov.

HoosierRx is a **state** program that helps to shift the cost of prescription drugs away from low-income seniors. HoosierRx was enacted four years ago by the General Assembly and allows seniors who qualify to receive a 75 percent discount on the cost of medications. This program will be coordinated with the Medicare discount drug card to maximize savings. Low-income seniors can sign up for the HoosierRx Drug Card by calling 1-866-267-4679 or by visiting www.in.gov/HoosierRx. Local pharmacies will also have applications.

If you have any questions about either one of these programs, please contact me at (317)232-9400 or e-mail me at s36@in.gov.